

Natural Gas Used As Motor Fuel

In addition to fueling homes, businesses and industry, natural gas also has considerable potential as a vehicle fuel. Used this way in many countries, including Italy and France, for several decades, natural gas may provide the answer to a number of problems in Canada's transportation sector. It is a preferred fuel for urban transportation, where pollution is a growing concern. Converting a car or light truck to natural gas can cost between \$1600 and \$2000; this initial investment can be recovered fairly quickly, however, in the case of high-mileage vehicles in urban environments, such as taxis and delivery trucks. Natural gas burns cleaner than gasoline and, because it contains no additives, can prolong engine life and reduce maintenance costs.

Distributors

There are four natural gas distribution firms in Quebec at present. Some have set up assistance programs to make natural gas use even more attractive. These companies will be pleased to provide you with additional information on the various programs of the Government of Canada. Depending on where you live, you should contact one of the following companies to learn more about the natural gas services available in your locality. Consult your local telephone book.

- Gaz Inter-Cité Québec Inc.
(Québec City, Trois-Rivières, Sherbrooke, Chicoutimi)
- Gaz Métropolitain inc.
(Montreal)
- Gazifère Inc.
(Hull)
- Le Gaz Provincial du Nord de Québec Ltée
(Abitibi)

The following publications on natural gas are also available:

- Switching To Natural Gas
- Natural Gas: An Alternative Transportation Fuel
- ICAP: Industrial Conversion Assistance Program

Free copies of these publications or additional information on the various natural gas programs can be obtained by contacting:

Energy, Mines and Resources Canada
605 Dorchester Blvd. West
Montreal, Quebec
H3B 1P4
Tel: (514) 283-5632
Toll free: 1-800-361-8025

To encourage the use of natural gas as vehicle fuel, the Government of Canada has established a program to provide financial assistance to distributors willing to add a natural gas refueling station to their facilities.

The government also offers grants of up to \$500 to owners of private or commercial light vehicles for their conversion to natural gas, or for the purchase of new vehicles equipped with a natural gas carburetion system. Mixed fuel (natural gas/gasoline) vehicles are also eligible for the program.

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NATURAL GAS in Quebec

A Commitment All Along the Line

Equitable sharing of the country's energy wealth is one of the major principles behind the Government of Canada's energy policies.

As a result of geological evolution and because of the great size of the country, resources are not equally distributed throughout Canada. While Quebec has a wealth of hydroelectric resources, it must rely on other regions, and often on foreign suppliers, for crude oil — the source of the heavy fuel oil used in industry, home heating oil and the gasoline used in cars. Quebec must import much of its crude oil from distant parts of the world, such as the Middle East. Canadians have no control over oil import prices, making Quebec's energy situation vulnerable.

The Canadian government therefore places a high priority on giving Quebec consumers access to a clean, efficient and low-cost fuel that is abundantly available in Canada.

Because of an extensive series of measures implemented by the federal government, many areas of Quebec now have access to natural gas — a fuel that is already widely used by millions of Canadians to heat homes, operate industrial plants and, increasingly, as a substitute fuel in motor vehicles.

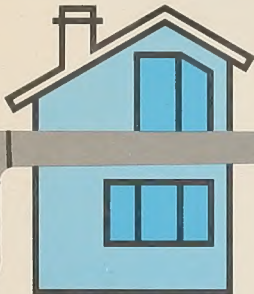
Since most areas of Quebec do not have the necessary infrastructures — natural gas pipelines, distribution networks, distribution companies — it was necessary to put these in place. The programs that have been established to do this deal with most aspects of

natural gas distribution, from pipeline construction to home heating conversion. These measures indicate the full extent of the Canadian government's commitment to offering Quebec residents access to one of Canada's energy riches, natural gas.

Carrying natural gas to the various regions of Quebec and then to the consumers is a large-scale project. The extension of the main pipeline, construction of laterals to carry gas to various communities, establishment of distribution networks within each locality served, and finally the conversion of heating appliances have created thousands of jobs and many business opportunities in a number of regions of Quebec.

Natural Gas Laterals Program (NGLP)

To expand the availability of natural gas service, the Government of Canada set up a special fund of \$500 million in 1982 to finance the construction of natural gas laterals from the trans-Canada gas transportation system. Under the Natural Gas Laterals Program (NGLP), Gaz Inter-Cité Québec Inc., acting as prime contractor and distributor, extended natural gas service in 1983 to the Mauricie and Bécancour region and the Eastern Townships.



Gas Marketing Assistance Program (GMAP)

Natural gas distributors are also retailers. As such, they must deal with wholesalers who, in this case, are the natural gas pipeline owners. To meet the needs of their clients, distributors must contract on a long-term basis to buy and transport fixed volumes of gas from the pipeline owners. It is always difficult to anticipate the needs of gas consumers, and the financial risk becomes even greater for distribution firms when they decide to expand their gas service to major new markets. To minimize this risk and allow these firms to offer natural gas to their customers at the best possible price, the Canadian government instituted the Gas Marketing Assistance Program (GMAP), under which the government helps pay the distributors' fixed costs of contracted gas supplies.



Distribution System Expansion Program (DSEP)

Network expansion requires the construction of new lines and systems within cities, and therefore additional investments by distributors. Under the Distribution System Expansion Program (DSEP), the Canadian government provides financial assistance to distribution companies for the construction of new distribution systems. The government has contributed some \$26.5 million in 1983-1984 under this program to the four Quebec distributors.

Canada Oil Substitution Program (COSP)

Once gas mains have been installed in residential areas or in industrial parks, homeowners or companies can decide whether to convert their oil-fired space-heating appliances to natural gas. Although natural gas costs less than oil, heating appliance conversions can be quite expensive. Under its Canada Oil Substitution Program (COSP), the Canadian government therefore provides taxable contributions of up to \$800 to owners of single-family dwellings who convert their oil-fired furnaces to natural gas or to another eligible energy source. In the case of multiple-family dwellings, grants of up to \$5500 may be awarded.

Industrial Conversion Assistance Program (ICAP)

In private industry, natural gas conversion of space-heating appliances and equipment used in industrial processes may be simple or highly complex, depending on the nature of the operation. Industries or businesses that use No. 6 heavy fuel oil in their furnaces or industrial processes are eligible to receive financial assistance from the Government of Canada to convert to natural gas. Under the Industrial Conversion Assistance Program (ICAP), the government pays up to 50 per cent of the eligible conversion costs.

There is no specific limit on contributions under ICAP; federal assistance can total thousands or even millions of dollars, depending on the type of company involved.

